



DELAWARE COUNTY REGIONAL WATER QUALITY CONTROL AUTHORITY
P.O. Box 999 • 100 East Fifth Street • Chester, Pa. 19016

JUL 01 1991

EPA, R3. WATER MANAGEMENT DISTRICT
MUNICIPAL WASTEWATER CONSTRUCTION DISTRICT

June 25, 1991

Mr. Ronald L. Coy
Deputy Commissioner
City of Philadelphia
Water Department
ARA Tower at Reading Center
Philadelphia, Pennsylvania 19107-2994

Re: Purported Notice to Terminate
March 15, 1974 Agreement
Providing Wastewater Treatment
Services to DELCORA

Dear Mr Coy:

This will acknowledge DELCORA's receipt of the above-referenced correspondence. A careful review of Section 9.05 of the Agreement between DELCORA and the City indicates that any notice of intent to terminate can only be served after twenty-five (25) years from the date of execution of the Agreement or after March 15, 1999. Therefore, the City's notice is both premature and a nullity. I can only conclude, therefore, that the purported notice of termination, copied to various of its constituent municipalities, was an attempt by the City to grandstand or to portray, somehow, DELCORA in a bad light.

A more objective recitation of the facts follows. Outstanding capital contribution issues arose when the City, after fourteen (14) years of continuous dealings between the parties, unilaterally attempted to revise the manner in which DELCORA's capital contributions to the City were calculated. DELCORA objected. You may recall that, at the same time that DELCORA was involved in beneficial negotiations with the City relating to an Interjurisdictional Pretreatment Agreement, the City, rather than discuss capital contribution issues with DELCORA, filed a formal demand for arbitration. DELCORA disagreed that arbitration was appropriate and the Court agreed with DELCORA. The City then appealed the Court's decision rather than proceed to an immediate and direct resolution of the issues in Court (via a pending companion action which is now delayed due to the City's appeal). How can the City honestly contend that after the City changed the way it was doing business with DELCORA for fourteen years under an Agreement and after the City sought remedies (currently held to be inappropriate) without seriously negotiating with DELCORA that DELCORA is not "fair" or "responsible"?

DIRECT-DIAL TELEPHONES (AREA CODE 215)

ADMINISTRATION
☐ 876-5523

CUSTOMER BILLING
☐ 876-5526

PURCHASING
☐ 497-6775

PLANT & MAINTENANCE
☐ 485-1925

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With regard to the City's rate increases, DELCORA has an obligation to its users to analyze all charges which are either directly or indirectly borne by its users. After DELCORA was advised by the City on October 1, 1990, of the rate increase, DELCORA requested that the City provide, in reasonable detail, support for the increase. The City is required to provide this data. By DELCORA's second request for information in February, 1991, the City had failed to forward a copy of the 1990 Black & Veatch report upon which the City relied in making its rate determinations and, further, the City had refused to meet representatives of constituent municipalities to discuss the rate increases.

On April 5, 1991, after the City's March 26, 1991, response, DELCORA requested specific additional information on its own behalf and that of certain constituent municipalities. The City's response to those requests should have been expected -- a lawsuit was commenced by the City against DELCORA and certain of its constituent municipalities.

Is the City truly interested in a fair resolution of the issues or must the City simply "have its way" with its suburban customers? In the future when the City desires to attempt to prevail by propagandizing, the City should be certain of the accuracy of its facts and the honorableness of its position.

In closing, DELCORA will continue to expend resources to defend its users from the City's overreaching and to assure that the City lives up to its agreements with DELCORA.

Sincerely,



Nicholas F. Catania,
Executive Director

NFC:fmb

cc: William Bulman
U.S. EPA Region III

Charles Fogg
Philadelphia Coordinator
U.S. EPA Region III

Ronald Furlan
PADER - SE Regional Office

Stuart Gansell
PA DER

Gerald M. Hansler,
Executive Director, D.R.B.C.

Honorable Mary A. Natale
Mayor, Clifton Heights Boro

Honorable Edward P. Guy
Mayor, Boro of Ridley Park

Honorable Steven J. Beckson
Mayor, Folcroft Boro

Honorable Donald McKinney
Mayor, Rutledge Boro

Anne Howanski
Township Manager, Ridley Township

Jane Billings
Manager, Swarthmore Boro

Honorable Edward G. Roth
Mayor, Glenolden Boro

Honorable Frank C. Kelly
Mayor, Collingdale Boro

Honorable Donald A. Cook
Mayor, Prospect Park Boro

Honorable Thomas Kilian
Mayor, Colwyn Boro

Honorable Charles F. Sanders
Mayor, Darby Boro

cc: Honorable Carmen A. Cavacini
Mayor, Sharon Hill Boro

June A. Rodgers
Chief Executive Officer, Norwood Boro

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Chairman of the Board
R-H-M Sewer Authority

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Manager, Springfield Township

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Mayor, Upper Darby Township

Honorable Jack Edmundson
Mayor of Aldan Boro

Honorable John J. Rankin, Jr.
Mayor, Lansdowne Boro

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Township Manager, Nether Providence Township

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President of the Board, Darby Township

John R. Longacre, II
President of the Board of Commissioners
Marple Township

Honorable James Mollan
Mayor, Yeadon Boro

Richard E. Hunt
Chairman of the Board
Central Delaware County Authority

Honorable Gerald Connolly
Mayor, Morton Boro